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03-27-07
10:10 AM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement the Commission's Procurement Incentive Framework and to Examine the Integration of Greenhouse Gas Emissions Standards into Procurement Policies.

Rulemaking 06-04-009
(Filed April 13, 2006)

**ADMINISTRATIVE LAW JUDGE'S RULING
SOLICITING FURTHER COMMENT ON PETITION TO MODIFY
DECISION 07-01-039 WITH REGARD TO THE TREATMENT
OF BOTTOMING CYCLE COGENERATION**

On February 26, 2007, the Energy Producers and Users Coalition, and the Cogeneration Association of California (collectively "EPUC/CAC") filed an "Application for Rehearing, or in the Alternative, Petition for Modification" of Decision (D.) 07-01-039. The Commission originally accepted the pleading as an application for rehearing, but changed the filing upon review, because it is more appropriate to consider the pleading as a petition for modification. The Docket record reflects this change, and therefore I will refer to this pleading as EPUC/CAC's Petition for Modification of D.07-01-039 (Petition) in today's ruling.

Because of this change, I believe it is reasonable to provide interested parties a further opportunity to comment on this pleading. In particular, parties should comment on the technical issues raised by EPUC/CAC with respect to the treatment of bottoming-cycle cogeneration. These include: (1) the workability of the formula adopted in D.07-01-039 for calculating the carbon

emissions from bottoming cycle cogeneration and (2) certain operating assumptions presented by EPUC/CAC, e.g., that without supplemental firing, bottoming-cycle cogeneration does not consume any fuel to generate electricity.¹ If, based on the Petition, a party now believes that the Commission should consider an alternate formula or formula definitions for calculating carbon emissions from bottoming-cycle cogeneration, they should provide their proposed alternate formula/definitions and numerical examples in their comments. Comments should also present policy and legal arguments in support or in opposition to EPUC/CAC's Petition.

I encourage interested parties to meet with EPUC/CAC representatives informally so that areas of agreement or disagreement over technical or policy issues can be identified and discussed productively prior to the submittal of comments. For this purpose, I am establishing an extended comment period, as reflected in the schedule adopted below.

IT IS RULED that:

1. Comments on the February 26, 2007 Petition for Modification of Decision (D.) 07-01-039 of the Energy Producers and Users Coalition, and the Cogeneration Association of California (collectively "EPUC/CAC") are due by May 25, 2007.
2. EPUC/CAC may submit a reply to the comments by June 8, 2007.

¹ See Petition, pp. 5-6, and accompanying attachments.

3. Comments shall be filed at the Commission's Docket Office and served electronically pursuant to the Electronic Service Protocols contained in Attachment 4 of the April 13, 2006 Order Instituting Rulemaking and consistent with the Commission's Rules of Practice and Procedure 1.9 and 1.10. In addition, a hard copy of all documents shall be mailed to the assigned Administrative Law Judge and assigned Commissioner.

Dated March 27, 2007, at San Francisco, California.

/s/ JANET ECONOME for

Meg Gottstein
Administrative Law Judge

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the Notice of Availability to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the copy of the Notice of Availability is current as of today's date.

Dated March 27, 2007, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

